

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Balance Sheet As of 9/30/2008

	As of <u>9-30-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 609,797,831	\$ 682,056,359
INTERNATIONAL EQUITIES	200,722,215	252,078,034
DOMESTIC FIXED INCOME	535,129,474	554,026,769
INTERNATIONAL FIXED INCOME	85,443,012	90,076,982
REAL ESTATE	113,458,068	121,924,794
ALTERNATIVE INVESTMENTS	94,733,933	99,234,751
INVESTED CASH (NOTE 1)	<u>12,438,074</u>	<u>9,799,104</u>
TOTAL INVESTMENTS	1,651,722,607	1,809,196,793
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	3,819,347	3,833,437
MISCELLANEOUS RECEIVABLE	<u>2,314</u>	<u>2,765</u>
TOTAL RECEIVABLES	3,821,661	3,836,202
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	17,453,030	29,156,196
OPERATING CASH	<u>28,806</u>	<u>31,831</u>
TOTAL ASSETS	<u><u>\$ 1,673,026,104</u></u>	<u><u>\$ 1,842,221,022</u></u>
LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	17,453,030	29,156,196
ACCOUNTS PAYABLE	4,448	12,210
ACCRUED EXPENSES	21,468	19,647
INVESTMENT EXPENSE PAYABLE	<u>2,276,912</u>	<u>2,276,912</u>
TOTAL LIABILITIES	19,755,858	31,464,965
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,810,756,057	1,934,234,168
CASH IN DURING YEAR (NOTE 3)	0	3,208,999
CASH OUT DURING YEAR (NOTE 4)	7,000,000	26,165,000
NET INCREASE (DECREASE)	<u>(150,485,811)</u>	<u>(100,522,110)</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>1,653,270,246</u>	<u>1,810,756,057</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u><u>\$ 1,673,026,104</u></u>	<u><u>\$ 1,842,221,022</u></u>

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State Investment Board Profit and Loss Statement For the Month Ended 9/30/2008

	Month Ended <u>9-30-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 2,977,729	\$ 9,224,895
SECURITIES LENDING INCOME	<u>52,504</u>	<u>170,766</u>
	3,030,233	9,395,661
 GAIN ON SALE OF INVESTMENTS	 21,175,310	 49,645,867
LOSS ON SALE OF INVESTMENTS	<u>26,647,909</u>	<u>51,443,293</u>
 NET GAINS (LOSSES) INVESTMENTS	 (5,472,599)	 (1,797,426)
 INVESTMENT EXPENSES	 170,327	 2,061,486
SECURITIES LENDING EXPENSES	<u>41,794</u>	<u>129,060</u>
 NET INVESTMENT INCOME	 (2,654,487)	 5,407,689
 NET APPREC (DEPREC) MARKET VALUE	 (123,282,608)	 (156,739,413)
MISCELLANEOUS INCOME/(EXPENSE)	<u>671,680</u>	<u>895,836</u>
 TOTAL INVESTMENT INCOME	 <u>(125,265,415)</u>	 <u>(150,435,888)</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	21,726	49,923
 NET INCREASE (DECREASE)	 <u>\$ (125,287,141)</u>	 <u>\$ (150,485,811)</u>

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Notes To Financial Statements
September 30, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.